

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6752

BILL NUMBER: SB 346

NOTE PREPARED: Jan 2, 2012

BILL AMENDED:

SUBJECT: Worker's Compensation.

FIRST AUTHOR: Sen. Tallian

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: *Reimbursement Rates:* The bill requires the Worker's Compensation Board, not later than January 1, 2013, to adopt rules to establish the reimbursement rates for charges for medical services, treatment, or supplies provided by a medical services facility to an employee for purposes of determining the pecuniary liability of an employer or an employer's insurance carrier for a specific service, treatment, or supply covered under Worker's Compensation or Occupational Diseases Compensation.

Benefits: The bill also increases benefit amounts for injuries and disablements occurring on and after July 1, 2012.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Reimbursement Rates:* Ultimately, the source of funds and resources required to adopt rules and establish Worker's Compensation reimbursement rates will depend on administrative actions.

Benefits: The bill increases the maximum average weekly wages used in worker's compensation benefits from \$975 to \$1,170 and the maximum benefit from \$325,000 to \$390,000.

The bill also increases the benefit amounts for permanent partial impairment.

| Degree of Impairment | \$ for Each Degree (Current Law) | \$ for Each Degree (As Proposed) |
|-----------------------------|---|---|
| 1-10 | \$1,400 | \$1,680 |
| 11-35 | \$1,600 | \$1,920 |
| 36-50 | \$2,700 | \$3,240 |
| Over 50 | \$3,500 | \$4,200 |

The impact on the state would be as an employer.

Background Information: State expenditures for worker's compensation benefits were \$2.42 M for FY 2011, \$1.89 M for FY 2010, \$1.43 M for FY 2009, \$1.02 M for FY 2008, and \$1.41 M for FY 2007.

Explanation of State Revenues:

Explanation of Local Expenditures: The impact on local units would be as an employer.

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board.

Local Agencies Affected:

Information Sources:

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